

## **Financial Focus**

### **E-Rate Universal Service Program for Schools and Libraries**

**<https://www.usac.org/e-rate/>**

## E-Rate, Nordonia and Networks

- What is eRate?
  - E-Rate is a federal program designed to make telecommunications and internet services more affordable for schools and libraries.
  - Administered by the Universal Service Administrative Company (USAC), E-Rate provides discounts ranging from 20% to 90% on eligible services.
  - Divided in different Categories. Most relevant are Category 1 and Category 2.
  - Category 1 - services that provide the basic conduit access to the internet.
  - Category 2 - hardware, connection and services that provide internal access to the internet

## E-Rate, Nordonia and Networks

- Continued:
  - Cyber Security is currently NOT eligible for funding with E-Rate - possible for future years.
  - Nordonia's E-Rate funding is calculated by using enrollment and free and reduced lunch percentage (~15%).
  - FY24 funding from the government was \$4.45 billion nationwide. E-Rate is funded annually - or until the government halts the program.
  - Local Libraries are also eligible for funding.

# NORDONIA HILLS CITY SCHOOL DISTRICT

INSPIRING EVERY STUDENT TO VALUE LEARNING, COMMUNITY AND EXCELLENCE

## E-Rate, Nordonia and Networks

<b>INCOME:</b> Measured by % of students eligible for the National School Lunch Program	<b>CATEGORY ONE</b>		<b>CATEGORY TWO</b>	
	<b>URBAN</b> Discount	<b>RURAL</b> Discount	<b>URBAN</b> Discount	<b>RURAL</b> Discount
Less than 1%	20%	25%	20%	25%
1% to 19%	40%	50%	40%	50%
20% to 34%	50%	60%	50%	60%
35% to 49%	60%	70%	60%	70%
50% to 74%	80%	80%	80%	80%
75% to 100%	90%	90%	85%	85%

## E-Rate, Nordonia and Networks

- Why is it important?
  - Ohio schools rely on E-Rate to bridge the digital divide and ensure equitable access to technology for all students.
  - E-Rate funding helps Ohio schools upgrade their network infrastructure, procure necessary equipment, and access high-speed internet services.
  - Core network performance has never been more important in K-12 and is vital to 1:1

## E-Rate, Nordonia and Networks

- Who is in charge of E-Rate?
  - In Nordonia - E-Rate falls under the Technology Department and Business Department.
  - Nordonia (like many districts) contracts with a consultant to ensure complete accuracy and compliance regulations / requirements.
  - Lack of accuracy can lead to funding denial.
  - The Technology Department will evaluate bids that are submitted and use a matrix to determine who the bid will be awarded to.

## E-Rate, Nordonia and Networks

- **Why now?**
  - Existing core network infrastructure is nearing 10 years old. Normal lifespan is 7-10 years
  - While lifetime warranties exist on our existing equipment, software support has expired for much of our fleet.
  - Replacement inquiries were paused due to the bond issue in November of 2022



## E-Rate, Nordonia and Networks

- What is needed? What do we already have?
  - New core / edge network switches, new internal fiber lines in 5 of the 6 buildings, configuration services and UPS systems for every network closet.
    - Existing fiber lines were installed in 2001 - and must be replaced to support new network hardware. New Infrastructure won't even interface with the old cabling.
    - High School fiber lines were replaced with E-Rate funding in 2020.
  - Wireless Access points were replaced with the help of E-Rate funding in Spring / Summer of 2020
  - 10GB Internet Connection through NEOnet to every building (Category 1 Funded - upgraded in Spring of 2021)



## E-Rate, Nordonia and Networks

- Looking ahead - what else is needed?
  - Many of our buildings have outdated network cabling. Bottlenecks could occur in the future.
  - If no new buildings are slated to be built, we will need to invest thousands of dollars into replacing this antiquated cabling with the newest standards. E-Rate funding would also be used going forward so assist with this cost (this is not being done at this time).

## E-Rate, Nordonia and Networks

- How would this be funded? What is the cost?
  - Nordonia's available E-Rate Budget is ~\$568,000
    - A project cost of ~1.42 Million would be needed to use all available funding.
  - Proposed to be funded by Permanent Improvement Dollars.
  - We've estimated the cost of the project to range anywhere from 1,000,00 - 1,200,000 for everything needed. Competitive bidding will hopefully lower these estimates.
  - BEAR Method would be used as opposed to SPI method.
    - BEAR (Billed Entity Applicant Reimbursement) - the district pays the full amount of the project. Then USAC reimburses the district for the discounted amount of 40%.
      - Can allow for quicker timelines
      - Money is reimbursed within a few weeks of hardware invoicing
    - SPI (Service Provider Invoicing) - limits the funding allotted to the project invoice.
      - Can cause delays in project timelines
      - Valuable option for districts that do not have available capital up front.

## E-Rate, Nordonia and Networks

- Important Considerations:
  - Accepting a bid does NOT obligate the district to pay or complete the project.
    - This sets aside the funding dollars available for this funding year
    - Funds are available until September of 2025
      - Extension can be filed.
  - Equipment purchased can be moved to a new facility should one be built. E-Rate funding is no longer building specific.
- Special Board Meeting Needed on 03/26 or 03/27
  - 28 day window to accept bids - bid window closes on 03/26 @ 12:00pm
  - Accepted bid must be submitted to USAC by 11:59pm on 03/27
  - Deadlines were pushed to gather as much information as possible given the magnitude of this project